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REGULATORY AUTH.



AT&T

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Suite 700
511 Union Street
Nashville, Tennessee 37219

OFFICE OF THE
EXECUTIVE SECRETARY

March 3, 1999

David Waddell
Executive Director
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243-0505


Re: *BellSouth Telecommunications, Inc's Tariff to Introduce New
LATA Wide Version of Area Plus ® Service*

Docket 98-00634

Dear Mr. Waddell:

Enclosed are the original and thirteen copies of AT&T's
Response to BellSouth's First Set of Data Requests.

Sincerely,


Jim Lamoureux

cc: all parties

**BEFORE THE
TENNESSEE REGULATORY AUTHORITY
Nashville, Tennessee**

Re: BellSouth Telecommunications, Inc)
 Tariff to Introduce New LATA)
 Wide Version of Area Plus®) Docket No. 98-00634
 Service

AT&T'S RESPONSES TO BELL SOUTH'S DATA REQUESTS

AT&T Communications of the South Central States, Inc. ("AT&T")

hereby serves and files its Responses to BellSouth's Data Requests.

DATA REQUESTS

1. Please identify each state in which AT&T provides intraLATA exchange access service.

AT&T objects that the information sought in this data request is not relevant to this proceeding, and is not reasonably calculated to lead to the production of admissible evidence. Whether AT&T provides intraLATA exchange service is not relevant to the question in this proceeding of whether BellSouth's tariff is anti-competitive, discriminatory, or otherwise contrary to law or policy. Moreover, as BellSouth itself has argued in other proceedings (such as the CSA proceeding), the provision of services in states other than Tennessee--

particularly the provision of services by AT&T in other states, rather than BellSouth - is not relevant to the question of whether BellSouth's tariff violates Tennessee law or is contrary to Tennessee public policy. Finally, AT&T objects that this information, although irrelevant, "may be derived or ascertained" by BellSouth from a review of AT&T's Tennessee tariffs. The burden, therefore, of deriving or ascertaining this information is substantially the same for BellSouth as it is for AT&T. See T.C.R.P. 33.03.

2. For each state identified in response to Data Request No. 1, please identify any state in which an incumbent local exchange telephone company offers residential or business customers LATA-wide local calling for a flat monthly rate. In answering this Data Request, please:
 - (a) identify each such incumbent local exchange telephone company;
 - (b) state the rate, terms and conditions of the offering by each such incumbent;
 - (c) identify any differences in the offering by each such incumbent and the rates, terms and conditions of BellSouth's proposed LATA Wide Area Plus Service; and
 - (d) state whether full intraLATA subscription has been implemented by each such incumbent.

AT&T objects that the information sought in this data request is not relevant to this proceeding, and is not reasonably calculated to lead to the production of admissible evidence. Whether AT&T provides intraLATA exchange service is not relevant to the question in this proceeding of whether BellSouth's tariff is anti-competitive, discriminatory, or otherwise contrary to law or policy. Moreover, as BellSouth itself has argued in other proceedings (such as the CSA proceeding), the provision of services in states other than Tennessee-- particularly the provision of services by AT&T and other ILECs in other states, rather than BellSouth--is not relevant to the question of whether BellSouth's tariff violates Tennessee law or is contrary to Tennessee public policy. Finally, AT&T objects that this information, although irrelevant, "may be derived or ascertained" by BellSouth from a review of ILEC tariffs, which is the only method available to either AT&T or BellSouth of obtaining the information responsive to this data request. The burden, therefore, of deriving or ascertaining this information is substantially the same for BellSouth as it is for AT&T. See T.C.R.P. 33.03.

3. Does AT&T contend that BellSouth has not implemented intraLATA toll dialing parity in the State of Tennessee? If so, please explain in detail the

basis for each such contention, identify all facts supporting each such contention, and produce all documents supporting each such contention.

No, AT&T does not contend that BellSouth has not implemented intraLATA toll dialing parity in Tennessee.

4. Does AT&T contend that in the State of Tennessee, AT&T currently is authorized to complete only the four types of intraLATA calls listed in Paragraph 5 of AT&T's Petition for Leave to Intervene? If so, please explain in detail the basis for each such contention, identify all facts supporting each such contention, and produce all documents supporting each such contention.

No, AT&T does not contend that it is currently authorized to complete only the four types of intraLATA calls listed in Paragraph 5 of AT&T's Petition for Leave to Intervene.

5. Does AT&T currently offer to complete within the State of Tennessee any type of intraLATA calls other than the four types of intraLATA calls listed in Paragraph 5 of AT&T's Petition for Leave to Intervene? If so, please describe such intraLATA calls in detail.

The phrase "any type of intraLATA call" is vague, ambiguous, and undefined. However, AT&T responds that an identification of the services it provides in Tennessee "may be derived or ascertained" by

BellSouth from a review of AT&T's Tennessee tariffs. The burden, therefore, of deriving or ascertaining this information is substantially the same for BellSouth as it is for AT&T. See T.C.R.P. 33.03.

6. Section 65-5-208 (c) provides, in part, that the price floor for an incumbent local exchange telephone company's competitive services "shall equal the incumbent local exchange telephone company's tariffed rates for essential elements utilized by competing telecommunications service providers plus the total long-run incremental cost of the competitive elements of the service." With regard to BellSouth's proposed LATA Wide Area Plus Service, please identify:

- (a) all elements that comprise BellSouth's proposed LATA Wide Area Plus Service AT&T contends are "essential elements utilized by competing telecommunications service providers";

Assuming that BellSouth's LATA Wide Area Plus Service is a competitive service within the meaning of T.C.A. § 65-5-208(c), the primary essential elements used by AT&T and other competing telecommunications service providers within the meaning of the statute are BellSouth's intraLATA exchange access services and any unbundled elements telecommunications service providers must purchase from BellSouth in order to provide intraLATA services.

(b) the rate AT&T contends is applicable for each element identified in AT&T's response to subsection (a) of this Data Request;

Because BellSouth refuses to provide intraLATA exchange access or UNEs on a flat per month fee basis, it is not possible to conduct an “apples to apples” comparison of access and/or UNE rates and the rates for BellSouth's LATA Wide Area Plus Service. Accordingly, it is not possible for AT&T to determine the applicable rate for purposes of the analysis set forth in T.C.A. § 65-5-208(c). However, the rates for access are the rates set forth in BellSouth's Tennessee access tariffs, and the UNE rates are the rates which will be establish in the UNE Permanent Cost proceeding.

(c) all elements that comprise BellSouth's proposed LATA Wide Area Plus Service AT&T contends are “competitive elements” of the service; and

It is BellSouth's burden to identify the competitive elements of its service and to identify the TELRIC of those elements. AT&T does not have sufficient information available to it to perform the analysis set forth in T.C.A. § 65-5-208(c).

(d) the cost AT&T contends is the total long-run incremental cost of each element identified in AT&T's response to subsection (c) of this Data Request.

It is BellSouth's burden to identify the competitive elements of its service and to identify the TELRIC of those elements. AT&T does not have sufficient information available to it to perform the analysis set forth in T.C.A. § 65-5-208(c).

7. Does AT&T contend that BellSouth's price for its proposed LATA Wide Area Plus Service does not adhere to the price floor set forth in T.C.A. §65-5-208(c)? If so, please explain in detail the basis for AT&T's contention, identify all facts supporting this contention, and produce all documents supporting this contention.

AT&T contends that it is BellSouth's burden to make the showing required by T.C.A. § 65-5-208(c), and that, having failed to even provide any information in satisfaction of its burden, BellSouth's tariff should be denied. Moreover, AT&T is unable to ascertain whether BellSouth's LATA Wide Area Plus Service satisfies the requirements of T.C.A. § 65-5-208(c), because BellSouth has not provided information to AT&T or the TRA to be able to conduct such an analysis.

8. Does AT&T contend that BellSouth's price for its proposed LATA Wide Area Plus Service exceeds the stand alone cost of the service as required by T.C.A. §65-5-208 (d)? If so, please explain in detail the basis for this contention, identify all facts supporting this contention, and produce all documents supporting this contention.

AT&T contends that it is BellSouth's burden to make the showing required by T.C.A. § 65-5-208(d), and that, having failed to even provide any information in satisfaction of its burden, BellSouth's tariff should be denied. Moreover, AT&T is unable to ascertain whether BellSouth's LATA Wide Area Plus Service satisfies the requirements of T.C.A. § 65-5-208(d), because BellSouth has not provided information to AT&T or the TRA to be able to conduct such an analysis.

9. Please explain in detail the manner in which AT&T contends the "stand alone cost" of BellSouth's proposed LATA Wide Area Plus Service should be calculated pursuant to T.C.A. §65-5-208 (c), identify what AT&T contends such "stand alone cost" to be, and produce all documents supporting this contention.

AT&T is unable to respond to this data request because BellSouth has not provided sufficient information to AT&T or the TRA to be able to conduct such an analysis.

10. Does AT&T contend that BellSouth's proposed LATA Wide Area Plus Service is anti-competitive, unfair, or discriminatory? If so, please explain in detail the basis for each such contention, identify all facts supporting each such contention, and produce all documents supporting each such contention.

Yes, BellSouth's LATA Wide Area Plus Service is anticompetitive, unfair, and discriminatory for the reasons set forth in AT&T's Petition for Leave to Intervene. AT&T is unable to provide additional information in support of its contention until it has had an opportunity to review the information BellSouth provides in discovery in this proceeding.

11. Does AT&T contend that BellSouth's proposed LATA Wide Area Plus Service is an anticompetitive practice within the meaning of T.C.A. §65-5-208 (c)? If so, please explain in detail the basis for this contention, identify all facts supporting this contention, and produce all documents supporting this contention.

Yes, BellSouth's LATA Wide Area Plus Service is an anticompetitive practice within the meaning of T.C.A. § 65-5-208(c) for the reasons set forth in AT&T's Petition for Leave to Intervene. AT&T is unable to provide additional information in support of its contention until it has had an opportunity to review the information BellSouth provides in discovery in this proceeding.

12. Does AT&T contend that BellSouth's proposed LATA Wide Area Plus Service will unreasonably or unjustly discriminate against non-BellSouth customers, unduly prefer BellSouth's customers, promote price squeezing, promote price discrimination, or constitute other anti-competitive practices in violation of T.C.A. §§65-4-115, 65-4-122, or 65-5-204? If so, please explain in detail the basis for each such contention, identify all facts supporting each such contention, and produce all documents supporting each such contention.

Yes, BellSouth's LATA Wide Area Plus Service will unreasonably or unjustly discriminate against non-BellSouth customers, unduly prefer BellSouth's customers, promote price squeezing, promote price discrimination, and constitutes other anticompetitive practices in violation of T.C.A. §§ 65-4-115, 65-4-122, and 65-5-204 for the reasons set forth in AT&T's Petition for Leave to Intervene. AT&T is unable

to provide additional information in support of its contention until it has had an opportunity to review the information BellSouth provides in discovery in this proceeding.

13. Does AT&T contend that BellSouth's proposed LATA Wide Area Plus Service constitutes an unjust or unreasonable increase, change, or alteration of rates in violation of T.C.A. §65-5-203? If so, please explain in detail the basis for each such contention, identify all facts supporting each such contention, and produce all documents supporting each such contention.

Yes. BellSouth's LATA Wide Area Plus Service constitutes an unjust and unreasonable increase, change, or alteration of rates in violation of T.C.A. § 65-5-203 for the reasons set forth in AT&T's Petition for Leave to Intervene. AT&T is unable to provide additional information in support of its contention until it has had an opportunity to review the information BellSouth provides in discovery in this proceeding.

14. Paragraph 10 of AT&T's Petition for Leave to Intervene states that "Tennessee consumers using AT&T or other IXC's to complete intraLATA calls must pay much higher rates than those which would be charged by BST under the subject tariff." Please explain in detail the basis

for this contention, identify all facts supporting this allegation, and produce all documents supporting this allegation.

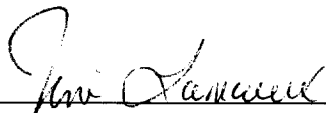
Tennessee consumers using AT&T or other IXC's to complete intraLATA calls must pay much higher rates than those which would be charged by BST under the subject tariff as a result of the inflated intraLATA exchange access rates which AT&T and other IXC's must pay to BellSouth for the origination and termination of intraLATA toll calls. The true cost of access is the economic cost of interconnection, such as the cost which will be established in the UNE Permanent Cost proceeding, which is the cost BellSouth incurs in providing intraLATA services. However, as repeatedly conceded by BellSouth, access charges are priced well above the cost of providing such access, which results in AT&T and other IXC's incurring costs to provide intraLATA toll calls which BellSouth does not incur itself.

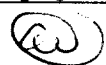
15. Does AT&T contend that BellSouth's proposed LATA Wide Area Plus Service results in cross-subsidization, preferences to competitive services or affiliated entities, predatory pricing or tying arrangements pursuant to T.C.A. §65-5-208(c)? If so, please explain in detail the basis for each such contention, identify all facts supporting each such contention, and produce all documents supporting each such contention.

17. Paragraph 11 of AT&T's Petition for Leave to Intervene states that "BST's subject tariff . . . would unreasonably and unjustly discriminate against non-BellSouth Tennessee customers and unduly prefer BellSouth's customers in violation of T.C.A. §§65-4-115, 65-4-122 and 65-5-204." Please explain in detail the basis for each such contention, identify all facts supporting each such contention, and produce all documents supporting each such contention.

Tennessee consumers using AT&T or other IXC's to complete intraLATA calls must pay much higher rates than those which would be charged by BST under the subject tariff as a result of the inflated intraLATA exchange access rates which AT&T and other IXC's must pay to BellSouth for the origination and termination of intraLATA toll calls. As repeatedly conceded by BellSouth, such access charges are well above the cost of providing such access, which results in AT&T and other IXC's incurring costs to provide intraLATA toll calls which BellSouth does not incur itself.

Respectfully submitted,



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March 3, 1999

CERTIFICATE OF SERVICE

I hereby certify that on March 3, 1999 a record, via hand delivery, facsimile, overnight or US Mail, addressed as follows:

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